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CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
18 June 1963

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: The New Brazilian Cabinet

1. The new Brazilian cabinet marks another shift to the left by the Goulart regime. Brazil appears headed toward Socialism and a marked reduction of its ties with the United States. Four of the new ministers, including the foreign minister, appear inclined to such a course while most of the others are unlikely to oppose it effectively. Labor Minister Oliveira e Silva and Industry Minister Joaquim Ramos will probably be the staunchest proponents of moderation in opposition to a strong current running in the opposite direction.

2. The most extreme member of the new cabinet is probably Foreign Minister Evandro Lins e Silva, who has a history of pro-Communist activity and was quoted last March as saying that neutralism is only the first step to the left for Brazil and that ultimately "we must take part in the construction of a Socialist world." Education Minister Paulo de Tarso is the leader of the Communist-leaning wing of the Christian Democrats. De Tarso has said he prefers Communism, which merely denies christianity, to capitalism, which takes advantage of it for profit.

3. As recently as February of this year, Agriculture Minister Jader Andrade was on the national directing council of Francisco Juliao's peasant leagues. Public Health Minister Wilson Fadul is one of Goulart's close friends who favors extensive nationalization of industry, although he is not on record on larger East-West issues.

4. The service ministers appear inclined to anti-Communism but are unlikely to take effective action

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against Goulart if his government continues to move leftward. War Minister Jair Ribeiro, who replaces the anti-Communist Krueel, describes himself as a nationalist who dislikes any form of extremism and is neither pro-United States nor pro-Soviet Union. While he believes that Brazil should continue its military alliance with the United States, he appears to be basically a constitutionalist who would serve any government which maintained legal forms. Navy Minister Sylvio Motta is a centrist but is regarded as weak. Air Minister Anisio Botelho appears to be a pro-US nonentity who is a close personal friend of Goulart.

5. The four ministries of labor, industry, mines and justice have gone to men who are centrists or conservatives. Minister of Industry Joaquim Ramos is part of the conservative family which is politically dominant in the southern state of Santa Catarina. Labor Minister Oliveira e Silva is a centrist, politically linked with the moderate and effective Christian Democratic governor of Parana. Minister of Justice Abelardo Jurema is also a centrist. Minister of Mines Oliveira Brito is a centrist, old-line politician likely to be strongly influenced by opportunities for patronage. The political orientation of Minister of Transport Soares Ferreira is not known.

6. Carvalho Pinto, who was the able and effective governor of Sao Paulo until the elections of October 1962, is reported to be the new finance minister. If he has in fact accepted the post, he will almost certainly seek to pursue the course of accommodation with the United States and the International Monetary Fund which was followed by outgoing Finance Minister Dantas. In contrast to the politically astute Dantas, Carvalho Pinto is notably inept in practical politics. Consequently, his appointment would probably mark a weakening of the finance ministry and would reduce the already slim chance that Brazil's financial difficulties can be solved by sound fiscal policies.

7. The dismissal of San Thiago Dantas from the finance ministry may reflect Goulart's captious attitude toward foreign policy and economic problems.

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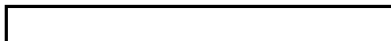


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8. In perspective, each successive cabinet of Goulart--although all contained wide spectrums of political opinions--has been more conducive to Brazil's leftward slippage than the previous one. This one is no exception.

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